ST 011-0076-GIL  04/16/2001  BOOKS AND RECORDS

> Generally taxpayers are required to maintain business books and records during any period for which the Illinois Department of Revenue is authorized to issue a Notice of Tax Liability (NTL). See 86 Ill. Adm. Code 130.815.  (This is a GIL).

April 17, 2001

Dear Xxxxx:

This letter is in response to your letter dated March 2, 2001.  The nature of your letter and the information you have provided require that we respond with a General Information Letter, which is designed to provide general information, is not a statement of Department policy and is not binding on the Department.  See 2 Ill. Adm. Code 1200.120(b) and (c), which can be found on the Department's website at http://www.revenue.state.il.us/legalinformation/regs/part1200.

In your letter, you have stated and made inquiry as follows:

WE AT AAA HAVE STARTED USING A SCANNER FOR ALL THE NEW AND THE USED CAR DEALS.  IN THE NEXT MONTH WE WILL START SCANING ALL THE LICENSE AND TITLE PAPERWORK.  WE ARE TRYING TO USE A PAPERLESS SYSTEM.  WE ARE UNCERTAIN IF WE HAVE TO KEEP ANY ORIGINALS OF THE ST-556.   I KNOW WE KEEP RECORDS FOR SEVEN YEARS.   IF WE ARE SCANNING ALL DEALS IS IE IMPERATIVE TO KEEP ANY ORIGINALS.

Generally taxpayers are required to maintain business books and records during any period for which the Illinois Department of Revenue is authorized to issue a Notice of Tax Liability (NTL).  See 86 Ill. Adm. Code 130.815, enclosed.  As a general proposition, the Department can issue NTLs for 3 to 3 1/2 years.  See Section 130.815(c), which explains how statutory periods expire in six-month intervals beginning with each January 1 and July 1.  Consequently, taxpayers should retain appropriate records for at least 3 1/2 years.  This assumes taxpayers are registered and filing returns with the Department.

We have enclosed Sections 130.801, 130.805, 130.810, 130.815, 130.820, and 130.825 of the Department's regulations for your information.  An automated data process tax accounting system (ADP) may be used to provide the records required for the verification of tax liability.  Such ADP system must include a method of producing legible and readable records that will provide the necessary information for verifying such tax liability.  The requirements apply to any taxpayer who maintains any such records on an ADP system and are set forth in detail in 86 Ill. Adm. Code 130.805.

If taxpayers retain records required to be retained under Section 130.801, in both machine-sensible and hard copy formats, the taxpayers shall make the records available to the Department in

machine-sensible format upon request. ADP accounting systems encompass all types of data processing systems including, but not limited to, mainframe computer systems, stand-alone or networked microcomputer systems, Database Management Systems (DBMS) and systems using Electronic Data Interchange (EDI) technology.

I hope this information is helpful. The Department of Revenue maintains a website, which can be accessed at www.revenue.state.il.us. If you have further questions related to the Illinois sales tax laws, please contact the Department's Taxpayer Information Division at (217) 782-3336.

If you are not under audit and you wish to obtain a binding Private Letter Ruling regarding your factual situation, please submit all of the information set out in items 1 through 8 of Section 1200.110(b).

Very truly yours,


Melanie A. Jarvis
Associate Counsel

MAJ:msk
Enc.